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AMEMBASSY JAKARTA

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PARIS FOR USOECD

E.O. 12065: GDS 10/10/85 (ROGERS, STEPHEN H.) OR-E

TAGS: ENRG, MX

SUBJECT: US/MEXICO NATURAL GAS AGREEMENT: EMBASSY COMMENTS

1. (C - ENTIRE TEXT.)
2. SUMMARY: THE US/MEXICAN GAS SALE FRAMEWORK AGREEMENT REPRESENTS SUBSTANTIAL COMPROMISE ON BOTH SIDES. THE NEGOTIATION REFLECTED THE EXTREME SENSITIVITY OF THE MEXICAN GOVERNMENT CONCERNING THE US RELATIONSHIP AND CONCERNING SUB-SOIL RESOURCES, ESPECIALLY IN PUBLIC. IT REVEALED SOMETHING OF THE STRENGTHS AND LIMITATIONS OF THE GOM BUREAUCRATIC STRUCTURE IN A SITUATION WHERE ONLY THE PRESIDENT CAN MAKE PRINCIPAL DECISIONS. THE FINAL STAGES SHOWED THE NEW, AND PROBABLY ON BSTANEDA AS THE CHIEF GOM NEGOTIATOR.

THE IMPACT OF NATIONALISM

4. THROUGHOUT THE NEGOTIATION IT WAS EVIDENT FROM THE GOM NEGOTIATING STYLE, FROM THE GOM'S RELUCTANCE FOR SEVERAL MONTHS TO COME TO GRIPS WITH THE FUNDAMENTAL ISSUE OF PRICE, FROM VARIOUS REPORTS OF THE GOM'S CONCERNS ABOUT THE POLITICAL CONSEQUENCES OF A DEAL, FROM THE PUBLIC RHETORIC OF PRESIDENT LOPEZ PORTILLO AND OTHERS, AND FROM THE HANDLING OF THE QUESTION IN THE GUIDED MEXICAN PRESS THAT THE CONFIDENTIAL

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NEGOTIATIONS CONJURED UP ANCIENT BUT STILL LIVELY SPECTERS OF MEXICAN POLITICS AND PSYCHOLOGY. THE MEXICAN GOVERNMENT CLEARLY FELT (AND PROBABLY CORRECTLY SO) THAT THERE WERE DISTINCT LIMITS BEYOND WHICH IT COULD NOT SAFELY GO AND MAINTAIN ITS FULL CONTROL OF THE DOMESTIC POLITICAL SITUATION, PARTICULARLY CONCERNING RELATIONS WITH THE US (BOWING TO PRESSURES, ALLOWING GREATER DOMINANCE) AND CONCERNING THE NATIONAL PATRIMONY, WHICH IS FELT MOST ACUTELY WITH RESPECT TO SUB-SOIL RESOURCES.ONS CONJURED UP ANCIENT BUT STILL LIVELY SPECTERS OF MEXICAN POLITICS AND PSYCHOLOGY. THE MEXICAN GOVERNMENT CLEARLY FELT (AND PROBABLY CORRECTLY SO) THAT THERE WERE DISTINCT LIMITS BEYOND WHICH IT COULD NOT SAFELY GO AND MAINTAIN ITS FULL CONTROL OF THE DOMESTIC POLITICAL SITUATION, PARTICULARLY CONCERNING RELATIONS WITH THE US (BOWING TO PRESSURES, ALLOWING GREATER DOMINANCE) AND CONCERNING THE NATIONAL PATRIMONY, WHICH IS FELT MOST ACUTELY WITH RESPECT TO SUB-SOIL RESOURCES.

5. THIS SENSITIVITY WAS HEIGHTENED AND COMPLICATED BY THE PERSONAL AND PUBLIC INVOLVEMENT OF PRESIDENT LOPEZ PORTILLO IN THE CASE FOR SELLING GAS. HIS SEPTEMBER 1, 1977 ADDRESS

ON THE STATE OF THE NATION ("INFORME") INCLUDED A FORTH-
RIGHT EXPLANATION OF WHY MEXICO SHOULD GO AGAINST THE TWO
DEEP-SEATED POLITICAL INSTINCTS CONCERNING THE US AND SUB-
SOIL RESOURCES AND ALLOW THE US TO ACQUIRE MEXICAN GAS.
THUS IT IS NOT SURPRISING THAT THE MEXICANS, INCLUDING THE
PRESIDENT, REACTED SHARPLY AND NEGATIVELY TO THE REJECTION
OF THE 1977 ARRANGEMENT, EVEN THOUGH THE GOM SHOULD HAVE
KNOWN FROM REPEATED USG WARNINGS THAT SUCH AN EVENTUALITY
WAS LIKELY. LOPEZ PORTILLO FELT HE HAD BEEN PERSONALLY
AND POLITICALLY HUMILIATED BY THE US DECISION, LEFT, AS
HE PUT IT, "HANGING BY THE PAINTBRUSH" (WITH THE LADDER
PULLED OUT FROM UNDER HIM).

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6. IN HIS INFORME ON SEPTEMBER 1, 1978, THE PRESIDENT EXPLAINED HOW MEXICO WOULD RECOVER FROM THE BLOW TO ITS PRIDE AND INTERESTS. WHILE HE DID NOT CLOSE THE DOOR TO THE POSSIBILITY OF SALES OF GAS TO THE US, HE ANNOUNCED AND DEFENDED THE POLICY OF UTILIZING WITHIN MEXICO THE ASSOCIATED GAS THAT HAD INEVITABLY TO BE PRODUCED WITH OIL. HE CAST DOUBT ON THE POSSIBILITIES OF THERE BEING GAS AVAILABLE FOR EXPORT.

7. THIS BACKGROUND EXPLAINS A NUMBER OF THE POINTS FOREIGN SECRETARY CASTANEDA MADE IN THE NEGOTIATING SESSION AT WHICH THE FRAMEWORK AGREEMENT WAS REACHED. HE INSISTED:

-- THAT THE AGREEMENT SPECIFY THAT ONLY ASSOCIATED (SURPLUS) GAS WOULD BE SOLD, REFLECTING LOPEZ PORTILLO'S PUBLICLY-EXPRESSED VIEW THAT EXPORT WAS IN EFFECT ONLY A LAST RESORT CONCERNING RESOURCES THAT WOULD OTHERWISE BE WASTED;

-- THAT THERE BE NO REFERENCE TO THE POSSIBLE EXPANSION OF EXPORTS BEYOND 300 MILLION CUBIC FEET PER DAY, THOUGH OF COURSE NO MENTION IS NECESSARY IF THE GOM DESIRES TO INCREASE THE EXPORT LEVEL (AND THERE ARE INDICATIONS THAT PEMEX WANTS TO DO SO, PRESUMABLY FROM THE NON-ASSOCIATED GAS FIELDS IN THE NORTH);

-- THAT DENUNCIATION OF THE AGREEMENT BE ALLOWED IN
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"THE NATIONAL INTEREST" (CASTANEDA'S INSERTION OF THE WORD "THEREFORE" IN THE SENTENCE ON THE DENUNCIATION CLAUSE, WHICH LINKED NATIONAL INTEREST TO THE SUPPLY AND

DEMAND SITUATIONS IN BOTH COUNTRIES, IS HARD TO EXPLAIN);
AND

-- THAT THE OPENING PARAGRAPH OF THE AGREEMENT INDICATE THAT IT WAS THE TWO GOVERNMENTS THAT HAD REACHED THE AGREEMENT AND NOT THE PRESIDENTS, THEREBY SEPARATING LOPEZ PORTILLO PERSONALLY FROM THE OUTCOME OF WHAT IN MEXICAN EYES IS ONLY A MODERATELY FAVORABLE SITUATION.

8. THE BASIS FOR LOPEZ PORTILLO'S CAUTION WAS CLEARLY VISIBLE IN THE MEXICAN PRESS DURING AND FOLLOWING THE NEGOTIATION. AT THE CONCLUSION, THE PRESS TURNED PROMPTLY FROM DIRE WARNINGS OF US PRESSURES TO FORCE MEXICO INTO A GAS DEAL - THROUGH IMMIGRATION AND TRADE POLICIES, IN PARTICULAR - TO UNANIMOUS, IF RESTRAINED, ENTHUSIASM FOR THE SUCCESS OF THE MEXICAN NEGOTIATORS. THE RISK OF A BAD DEAL WAS - AND HAD TO BE, GIVEN THE NATIONALIST NATURE OF THE MEXICAN PRESS AND ITS RESPONSIVENESS (WITHIN LIMITS) TO GOM WISHES - TURNED INTO A MEXICAN VICTORY. THE AGREEMENT WAS PORTRAYED AS A CASE IN WHICH THE UNITED STATES GAVE IN TO MOST MEXICAN DEMANDS. PUBLIC COMMENT, AS IS COMMON HERE, WAS LIMITED TO FACTORS FAVORING THE GOVERNMENT POSITION. THOSE WHO HAD PREVIOUSLY OPPOSED ENERGY SALES TO THE UNITED STATES IN PRINCIPLE WERE NOT HEARD; ASPECTS OF THE AGREEMENT LESS FAVORABLE TO MEXICO WERE NOT REPORTED.

THE ROLE OF THE PRESIDENT

9. THERE WAS NEVER ANY DOUBT THAT BASIC ELEMENTS OF THE

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MEXICAN POSITION WERE DETERMINED PERSONALLY BY THE PRESIDENT THROUGHOUT THE NEGOTIATION. ON SEVERAL OCCASIONS WE WERE TOLD THAT FERNANDO HIRIART, THE SUBSECRETARY OF PATRIMONY FOR MINES AND ENERGY, WHO HEADED THE GOM TEAM IN THE FIRST FIVE NEGOTIATING SESSIONS, WOULD BE PREPARED TO RESUME NEGOTIATIONS "AFTER RECEIVING INSTRUCTIONS (FROM THE PRESIDENT) THROUGH OTEYZA," THE PATRIMONY SECRETARY, AND THE REIN ON CASTANEDA IN THE FINAL STAGES APPEARED LITTLE LOOSER.

10. THE PRESIDENT APPEARED TO BE IN NO HASTE TO REACH AN AGREEMENT. WE SURMISED, HOWEVER, AND THE OUTCOME TENDS TO CONFIRM, THAT HE FELT ECONOMIC LOGIC WOULD ULTIMATELY LEAN STRONGLY IN FAVOR OF A SALE. THAT ARGUMENT MAY HAVE BEEN BUTTRESSED BY THE POLITICAL EXPEDIENCY OF SHOWING THAT, AFTER ALL, HE HAD NOT MISJUDGED IN THE BASIC THRUST OF HIS 1977 INFORME. OUR RELATIVE EAGERNESS PROBABLY AFFECTED THE SCHEDULE, BUT IN RETROSPECT IT IS HARD TO

BELIEVE THAT LOPEZ PORTILLO WOULD HAVE SETTLED FOR ANY SIGNIFICANTLY LOWER PRICE IN ANY CASE.

11. SHIFTS BACK AND FORTH BETWEEN DISCUSSION OF PRINCIPLES (FORMULAS) AND PRICES WERE PROBABLY IN PART A DELAYING TACTIC BY PATRIMONY WHEN THE PRESIDENT HAD NOT YET GIVEN THE GO-AHEAD ON REACHING AN AGREEMENT. THE CASTANEDA STATEMENT TO THE PRESS EARLY IN AUGUST EMPHASIZING THE PRESIDENT'S INTEREST IN PRINCIPLES RATHER THAN CONFIDENTIAL

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PRICES WAS, ON THE OTHER HAND, PROBABLY A COVER-UP FOR LOPEZ PORTILLO'S RENEGING ON HIS AGREEMENT WITH AMBASSADOR LUCEY ON THE PRICE OF \$3.40 IN THEIR AUGUST 3 MEETING.

MEXICAN PERCEPTIONS OF THE NEGOTIATION

12. THE COURSE OF THE NEGOTIATION REFLECTED THE CONFLICTING INTERESTS OF THE GOM AND THE DIFFERENT PERCEPTIONS OF THE US AND MEXICAN NEGOTIATORS AND POLICY-MAKERS CONCERNING THE PROGRESS BEING MADE. AT THE END OF THE FIFTH SESSION, HIRIART COMMENTED THAT "WE (THE GOM) COME DOWN SOME IN PRICE WITH EACH SESSION." FROM THE GOM PERSPECTIVE, RELATING THE GAS PRICE TO THE PRICES OF FUELS IN THE WORLD MARKET, THERE IS SOME TRUTH TO THAT IMPRESSION. THE FINAL AGREED COMPROMISE PRICE OF \$3.625 WAS SUBSTANTIALLY LOWER THAN \$2.60 WOULD HAVE BEEN IF ESCALATED ACCORDING TO THE FORMULA AGREED UPON IN THE 1977 MEMORANDUM OF UNDERSTANDING (TO ABOUT \$5.00). AMONG OTHER THINGS, THE GOM AGREED THAT THE PRICE OF NO. 2 FUEL OIL IN NEW YORK (THE 1977 FORMULA) WAS NOT AN APPROPRIATE BASIS AND SHOULD IN CALCULATING THE INITIAL PRICE BE SUPERSEDED BY A MIX OF NO. 2 AND NO. 6 IN VARIOUS US CITIES. IN THE FINAL ANALYSIS, NEITHER THE PERCENTAGE MIX NOR THE LIST OF CITY MARKETS WAS SPECIFIED, BUT THE CONCEPT HELPED BRING DOWN THE GOM POSITION.

13. THE FINAL AGREEMENT REFLECTED OTHER ELEMENTS OF MOVEMENT OR ACCEPTANCE ON THE GOM SIDE. THEY MAY HAVE BEEN AN INDICATION THAT CASTANEDA HAD MORE NEGOTIATING LATITUDE THAN OTEYZA AND HIRIART. THE NATURE OF TWO OF THEM, HOWEVER, SUGGESTS A CONTRARY EXPLANATION: THAT CASTANEDA MAY MERELY HAVE LET FALL SOME OF THE EMBELLISHMENTS TO THE PRESIDENT'S POSITION THAT PATRIMONY HAD ADDED BASED ON ITS GREATER TECHNICAL EXPERIENCE AND KNOWLEDGE. THE FOREIGN SECRETARY READILY ACCEPTED 180-DAY NOTICE FOR CANCELLA-

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USMISSION GENEVA
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UEHOS/AMEMBASSY LAGOS 0173
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TION, INSTEAD OF THE 90-DAY NOTICE THAT IS STANDARD IN PEMEX OIL CONTRACTS (AND WHICH CASTANEDA HIMSELF HAD SUGGESTED PUBLICLY ON AUGUST 31). HE ALSO AGREED TO USING A WORLD CRUDE OIL PRICE INDEX FOR THE ESCALATOR, WHICH WE BELIEVE IS FOR TECHNICAL REASONS MORE ADVANTAGEOUS TO THE US THAN THE MIX OF US PRODUCT PRICES PREVIOUSLY DISCUSSED AS THE BASIS FOR THE INITIAL PRICE AND IMPLICITLY FOR THE ESCALATOR. WHILE IT IS PERHAPS FUTILE TO TRY TO DETERMINE ON WHICH SIDE THE DECISION WAS MORE POLITICAL AND ON WHICH SIDE IT WAS MORE ECONOMIC, THE LARGE POLITICAL ELEMENT INVOLVED IN THE DEVELOPMENT OF POSITIONS ON BOTH SIDES PRESUMABLY CONTRIBUTED TO FOREIGN RELATIONS' SUCCESS IN OVERCOMING - OR IGNORING - TECHNICAL MATTERS THAT MIGHT HAVE IMPEDED REACHING AN AGREEMENT. THE FACT THAT PEMEX, FOR WHICH FOREIGN RELATIONS HAS NO ORGANIC RESPONSIBILITY, WILL NEGOTIATE THE COMMERCIAL CONTRACT MAY HAVE FURTHER LIBERATED CASTANEDA FROM TECHNICAL RESTRAINTS PATRIMONY MIGHT HAVE FELT AT THAT STAGE IN THE NEGOTIATION.

BEHIND THE CASTANEDA TAKE-OVER

14. WE THUS BELIEVE THAT THE SHIFT IN GOM NEGOTIATORS FROM HIRIART TO CASTANEDA FACILITATED SUCCESSFUL CONCLUSION OF THE NEGOTIATION. THAT MAY HAVE BEEN WHY LOPEZ PORTILLO GAVE CASTANEDA THE RESPONSIBILITY. ON THE OTHER HAND, THE REASON FOR THE CHANGE MAY HAVE BEEN AS SIMPLE AS THE FACT THAT FOREIGN RELATIONS COULD NEGOTIATE WITH THE CONFIDENTIAL

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STATE DEPARTMENT IN PARALLEL FASHION, SINCE IT WAS CLEAR FROM THE BEGINNING THAT THE US NEGOTIATING TEAM WOULD BE HEADED BY THE DEPARTMENT OF STATE RATHER THAN BY DOE.

15. THE EXPLANATION IS PROBABLY MORE BASIC AND BUREAUCRATIC THAN EITHER OF THOSE. CASTANEDA, NEW TO THE CABINET IN MAY, WAS AND IS TRYING TO ESTABLISH HIS ROLE AND THAT OF HIS SECRETARIAT AS BEING IN CHARGE OF THE FOREIGN RELATIONS OF MEXICO, AND THE PRESIDENT HAS SUPPORTED HIM. CASTANEDA'S ROLE WAS POLITICAL, FITTING THE NEGOTIATION INTO THE TOTAL CONTEXT OF THE US/MEXICAN RELATIONSHIP. WHILE HE DID NOT PRETEND TO HAVE THE TECHNICAL EXPERTISE THAT EXISTS IN PATRIMONY, FOR THE MOST PART HE DID NOT SEEM TO FEEL THE NEED OF IT. IN FACT, HIS CHIEF ECONOMIC ADVISOR WAS NOT EVEN INFORMED THAT THE NEGOTIATIONS WERE ABOUT TO RESUME AT THE CASTANEDA-CHRISTOPHER LEVEL. ANDRES ROZENTAL, THE DIRECTOR GENERAL FOR NORTH AMERICA, WHO IS PARTICULARLY CLOSE TO CASTANEDA PERSONALLY, WAS THE ONLY ADVISOR IN EVIDENCE THROUGHOUT MOST OF THE LAST TWO SESSIONS, THOUGH THERE ARE TWO LEVELS

IN THE BUREAUCRACY BETWEEN HIM AND THE SECRETARY.

16. IT IS OF INTEREST THAT CASTANEDA GAINED ASCENDENCY ON THE GAS ISSUE AT THE COST OF SOME HARD FEELINGS AT THE SECRETARIAT OF PATRIMONY. ROZENTAL TOLD CASTANEDA IN AMBASSADOR LUCEY'S PRESENCE THAT PATRIMONY WAS UNWILLING TO PREPARE OR SHARE DATA THAT FOREIGN RELATIONS HAD REQUESTED. APPARENTLY PEMEX HAD NO SUCH RELUCTANCE AND PROVIDED THE DATA, EVEN THOUGH PEMEX REPORTS TO PATRIMONY.

17. CASTANEDA'S ROLE WAS TO RELATE SUBSTANCE AND STRATEGY ON THE ONE ISSUE TO THE OVERALL RELATIONSHIP WITH THE US AND TO SOME DEGREE TO PROGRESS ON OTHER ISSUES. IN THE EARLY JUNE NEGOTIATING SESSION, THE FIRST AT WHICH FOREIGN

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RELATIONS PARTICIPANTS WERE OPERATING UNDER CASTANEDA'S INSTRUCTIONS, ROZENTAL AND HIS COLLEAGUE ON THE ECONOMIC SIDE OF FOREIGN RELATIONS WERE CHARGED WITH RAISING THE LINKAGE POINT IN THE NEGOTIATION. ROZENTAL SAID EXPLICITLY THAT THE NEGOTIATION WOULD HAVE TO TAKE INTO ACCOUNT THE PROGRESS MADE ON "OTHER TRADE ISSUES," WHICH WE INTERPRETED AS A REFERENCE TO WINTER VEGETABLES.

18. IN THE FINAL SESSIONS, HOWEVER, THAT DIRECT LINKAGE WITH THE WINTER VEGETABLES ISSUE WAS DROPPED, DESPITE THE POSSIBLE POLITICAL DANGER OF AGREEING TO A PROPOSITION THAT IS WIDELY SEEN AS ADVANTAGEOUS TO THE US WHEN IT APPEARED THAT THE WINTER VEGETABLES NEGOTIATION WAS HEADED FOR FAILURE - AND DAMAGE TO MEXICAN INTERESTS. APPARENTLY, THE PRESIDENT, WHETHER ON OR CONTRARY TO CASTANEDA'S RECOMMENDATION WE DO NOT KNOW, DECIDED BY SEPTEMBER NOT ONLY THAT THE AGREEMENT IF PRESENTED CAREFULLY WOULD BE WORTHWHILE REGARDLESS OF OTHER ELEMENTS OF THE RELATIONSHIP, BUT THAT THERE WAS SOME VALUE IN COMPLETING IT BEFORE HE MET WITH PRESIDENT CARTER.

19. AT THE SAME TIME FOREIGN RELATIONS TOOK CHARGE, THE LEVEL OF THE NEGOTIATORS CHANGED TOO, WHICH MAY ALSO HAVE CONTRIBUTED TO THE SUCCESS OF THE FINAL SESSIONS. HIRIART APPARENTLY DID NOT HAVE DIRECT ACCESS TO LOPEZ PORTILLO, AND IN ANY CASE HE IS AN ENGINEER AND NOT A POLITICALLY-MINDED NEGOTIATOR. THE LEVEL WAS ESCALATED AT CASTANEDA'S
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INITIATIVE, SUGGESTING THAT THE GOM FOUND IT DESIRABLE TO

HANDLE IT AT THE CABINET LEVEL.

20. THE NEGOTIATION MAY ALSO HAVE BEEN FACILITATED BY THE DEPARTURE OF SECRETARY SCHLESINGER IN JULY, ALTHOUGH BOTH GOVERNMENTS HAD MADE EFFORTS TO DOWNPLAY THE SECRETARY'S INVOLVEMENT IN THIS NEGOTIATION. SCHLESINGER REMAINS THE WHIPPING BOY OF THE MEXICAN PRESS AS A RESULT OF THE WAY IN WHICH HE IS VIEWED AS HAVING HUMILIATED THE MEXICAN GOVERNMENT IN PUBLIC IN THE FALL OF 1977.

CONCLUSIONS

21. WE DRAW A NUMBER OF CONCLUSIONS FROM THIS REVIEW.

-- THERE IS NO SUCH THING AS A NON-POLITICAL AGREEMENT BETWEEN THE US AND MEXICO ON ANY SUBJECT THAT CAN COME TO THE PUBLIC EYE, AND ON MOST ISSUES ONLY THE PRESIDENT CAN MAKE THE POLITICAL DECISIONS.

-- HOWEVER, THIS MEXICAN GOVERNMENT, AT LEAST, WILL APPROACH ISSUES PRAGMATICALLY AND WITH A CLEAR EYE TO MEXICO'S BASIC ECONOMIC INTERESTS, AND IT WILL ACT ACCORDINGLY WITHIN THE POLITICALLY ACCEPTABLE RANGE ESTABLISHED BY THE OVER-ALL RELATIONSHIP WITH THE US. MAINTAINING AN ACCEPTABLE BALANCE AND AVOIDING CHARGES OF A SELL-OUT MAY, AS SEEMS TO HAVE HAPPENED IN THIS CASE, REQUIRE A CERTAIN AMOUNT OF UNFRIENDLY, OR AT LEAST DISRESPECTFUL, RHETORIC ABOUT THE US.

-- THE AGREEMENT APPEARS SO FAR TO BE WELL WITHIN THE LIMITS OF TOLERANCE OF THE MEXICAN BODY POLITIC; WHETHER IT WILL BE THE SUBJECT OF FUTURE CRITICISM OVERTLY OR WITHIN THE PRI MAY DEPEND ON WHETHER DEVELOP-

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INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
USINT BAGHDAD
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY CARACAS
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMCONSUL DHAHRAN
AMEMBASSY DOHA
USMISSION GENEVA
AMEMBASSY JAKARTA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
UEHOS/AMEMBASSY LAGOS 0175
AMEMBASSY LIBREVILLE
AMEMBASSY LONDON
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY QUITO
USLO RIYADH
AMEMBASSY TEHRAN
AMEMBASSY TOKYO
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AMEMBASSY TRIPOLI
AMEMBASSY VIENNA
USCONS MEXICO (POUCH)

C O N F I D E N T I A L SECTION 06 OF 06 MEXICO 17497

MENTS IN THE BILATERAL RELATIONSHIP REVIVE OR EXACERBATE
FEARS OF US DOMINATION.

-- AS LONG AS LOPEZ PORTILLO IS PRESIDENT AND
CASTANEDA IS FOREIGN SECRETARY, WE WILL HAVE TO DEAL WITH
CASTANEDA AS A MAJOR FACTOR IN OUR BILATERAL RELATIONS.
WE CAN PROBABLY DO BUSINESS WITH HIM, AND MORE SUCCESS-
FULLY IF WE KEEP IN MIND HIS PREOCCUPATION WITH THE POLI-
TICAL ASPECTS OF THE RELATIONSHIP. LUCEY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 oct 1979
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1979MEXICO17497
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS 19851011 ROGERS, STEPHEN H
Errors: N/A
Expiration:
Film Number: D790470-0970
Format: TEL
From: MEXICO OR-E
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1979/newtext/t19791086/aaaactdg.tel
Line Count: 704
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 104f1343-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 13
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 oct 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1232387
Secure: OPEN
Status: NATIVE
Subject: US/MEXICO NATURAL GAS AGREEMENT: EMBASSY COMMENTS
TAGS: ENRG, MX
To: STATE ABU DHABI
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/104f1343-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
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EO Systematic Review
20 Mar 2014
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